

LMC Stock Ownership Requirements for Key Employees

Lockheed Martin's Stock Ownership Requirements for Key Employees apply to all senior level positions of Vice President and above. This reflects the expectations of our major shareholders that management demonstrate its confidence in Lockheed Martin through a reasonable level of personal share ownership. This practice is consistent with other major U.S. corporations which link some portion of personal financial interests of key employees with those of stockholders.

Stock Ownership Requirements

| Title | Annual Base Pay Multiple |
|---|--------------------------|
| Chairman, President and Chief Executive Officer | 6 times |
| Chief Operating Officer | 5 times |
| Chief Financial Officer | 4 times |
| Executive Vice Presidents | 3 times |
| Senior Vice Presidents | 2 times |
| Other Elected Officers | 2 times |
| Other Vice Presidents | 1 times |

Satisfaction of Requirements

Covered employees may satisfy their ownership requirements with common stock in these categories:

- Shares owned directly.
- Shares owned by a spouse or a trust.
- Shares represented by monies invested in 401(k) Company Common Stock Funds or comparable plans.
- Share equivalents as represented by income deferred to the Company Stock Investment Option of the Deferred Management Incentive Compensation Plan (DMICP).
- Unvested Restricted Stock Units.
- Unvested Performance Stock Units granted in 2013 and 2014 (based on the Target Award).

Key employees will be required to achieve the appropriate ownership level within 5 years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unexercised options prior to vesting and unvested Performance Stock Units granted after January 2014 are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units and the net shares resulting from any exercise of stock options if the ownership requirements are not yet satisfied.

Covered employees are asked to report annually on their progress toward attainment of their share ownership goals.